[Translation]

Production and Supply of Janata Cloth

3205. SHRI MAHENDRA KARMA :
SHRI TILAK RAJ SINGH:
SHRI VISHVESHWAR BHAGAT :

Will the Minister of TEXTILES be pleased to state:

(a) whether the target for production and supply of Janata Cloth in Madhya Pradesh has been reduced to even below 50 percent during the current year;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Madhya Pradesh Government has requested the Union Government to maintain the previous target; and

(d) if so, the action taken thereon by the Union Government ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) As per the decision of the Government Janata Cloth Scheme is being phased out. Targets therefor are being reduced every year on a tapering basis. For the year 1996-97, targets have been reduced on the basis of the actual production achieved during the last year.

(c) Yes, Sir.

(d) Targets for all the States have been reduced on the basis of last year's production.

[English]

Opening of New Branches of Banks

3206. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India have liberalised the branch licensing policy and has given full autonomy to rationalised banks in opening of new branches;

(b) if so, whether any conditions have been stipulated to the autonomy; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) As per the extant branch licensing policy of Reserve Bank of India (RBI) Indian Commercial Banks which fulfil the following criteria are given freedom to open branches without prior approval from RBI on case to case basis:-

(i) Capital to Risk Assets Ratio (CRAR) at 8% or more.

(ii) Minimum owned funds of Rs. 100 crores.

(iii) Net profit for three consecutive years.

(iv) Non-performing Assets below 15% of total outstanding loans and advances.

In such cases, the banks are advised to submit to RBI an action plan for one year for opening all types of branches (general as well as specialised) taking into consideration the broad national policy objectives. Once the plan is approved, the banks can open branches. However, the banks have to obtain Licenses under Section 23 of the Banking Regulation Act, 1949 from RBI's Regional Offices before opening the branches.

Regional Rural Banks

3207. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have furmulated a proposal for offloading entire stake in Regional Rural Banks;

(b) if so, the details thereof;

(c) the details of the present status of the proposal with implementation schedule; and

(d) the details of steps taken/proposed to strengthen Regional Rural Banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) Under the existing arrangement, the sponsor banks nominate the Chairman of the Regional Rural Banks (RRBs) and are required to provide such operational guidance and other assistance as is necessary. With a view to strengthening the management and financial structure of RRBs, various measures are being taken by the Government including capitalisation support for RRBs which attain designated performance bench-marks and also providing a larger role for the sponsor banks.

(d) A number of steps have been taken to strengthen RRBs which include, inter-alia, the following:-

(i) 119 RRBs have been provided with financial support to the extent of about Rs. 499 crores by Government of India for comprehensive revamping.

(ii) With a view to widening the range and scope of their services, the RRBs have been allowed, with effect from 1.1.1994, to finance non-target groups to the extent of 60% of their fresh lending. More discretionary powers have been given to them for purchase/discounting of cheques demand drafts. Further for widening their range of services, RRBs have been, inter-alia, allowed to issue guarantees on behalf of their customers install lockers, issue drafts and effect mail transfers.

(iii) RRBs have, subject to certain conditions, been allowed to relocate their loss-making branches to relatively better locations viz. commercial centres like market areas, village mandies, block and district head-quarters etc. and to redeploy concerned staff suitably.